

Message Text

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ACTION IO-13

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 SIL-01 AF-08 ARA-06 EUR-12 NEA-10 L-03
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FM USMISSION GENEVA
TO SECSTATE WASHDC 5419
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USLO PEKING

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PASS LABOR AND COMMERCE

E.O. 11652: N/A
TAGS: ILO, CH
SUBJECT: FINANCIAL ISSUES IN ILO COMMITTEES

1. ALLOCATIONS COMMITTEE MET FEB 21 AND DECIDED TO ACCEPT UN SCALE OF ASSESSMENTS FOR 1978 AS BASE FOR ILO SCALE OF ASSESSMENTS FOR 1978 AND DECIDE ON 1979 SCALE AT A LATER DATE. INFORMAL VOTE SHOWED ONLY USSR AND POLAND FAVORING ADOPTION OF TWO-YEAR SCALE, WITH OTHER MEMBERS EXPRESSING OPINION THAT IN VIEW UNCERTAINTY OF FINANCIAL FUTURE, ONE YEAR SCALE WOULD GIVE NECESSARY FLEXIBILITY TO ALLOW FUTURE ADJUSTMENTS. USDEL ABSTAINED. THERE WAS NO MENTION WHATSOEVER OF THE CHINA QUESTION, APPARENTLY BECAUSE COMMITTEE MEMBERS ACCEDED TO DIRECTOR GENERAL SUGGESTION TO PROGRAM, FINANCE AND ADMINISTRATIVE COMMITTEE (PFAC) TO "SET ASIDE" THIS PROPOSAL.

2. PFAC MET FEB. 23 AND HEARD DG'S PROPOSALS FOR BUDGET ADJUSTMENTS. HE BEGAN WITH A FOURPOINT PACKAGE DESIGNED TO TAKE CARE OF POSSIBLE US WITHDRAWAL
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IN NOVEMBER 1977: A. HE WILL BEGIN CONTINGENCY PLANNING AND WILL CONSULT WITH OFFICERS OF GB, PFAC AND GB AS HE DEVELOPS HIS IDEAS. IF US WITHDRAWS, PLAN WILL BE SUBMITTED TO NOVEMBER GB FOR APPROVAL.

B. HE RECOMMENDS THAT THE JUNE 1977 CONFERENCE DELEGATE TO THE GB NECESSARY AUTHORITY TO IMPLEMENT

CONTINGENCY PLAN STARTING IN NOVEMBER 1977, TO AVOID
HAVING TO WAIT UNTIL THE JUNE 1978 CONFERENCE.

C. HE RECOMMENDS THAT THE JUNE 1977 CONFERENCE ALSO EXTEND
FOR ONE YEAR THE PRESENT DELEGATION OF AUTHORITY
TO THE GB TO ABOLISH POSTS, AGAIN SO THAT THE PROCESS
OF STAFF REDUCTIONS CAN BE STARTED IN NOVEMBER 1977 IF
NECESSARY.

D. HE REQUESTS THAT A "ONE-TIME" PAYMENT
OF \$10 MILLION TO REPLENISH THE WORKING CAPITAL FUND
BE AUTHORIZED (\$5 MILLION TO BE PAID IN 1978 AND REMAINDER
IN 1979) TO PROVIDE ADEQUATE CASH-FLOW IF THE US SHOULD
WITHDRAW. HE MADE NO REFERENCE TO THE CHINA QUESTION.

3. IN ADDITION TO ABOVE PACKAGE, DG PROPOSED GENERAL
REDUCTIONS OF \$6.2 MILLION, WITH SLIGHT PROGRAM INCREASE
OF \$604,000, LEAVING A NET REDUCTION OF \$5.6 MILLION
(DOCUMENT BEING POUCHED). WHEN SUBTRACTED FROM HIS
INITIAL BUDGET OF \$169 MILLION PLUS, THIS LEAVES A
"FINAL" BUDGET OF \$164,160 MILLION.

4. COMMENT: FINAL BUDGET FIGURE MIGHT RPT MIGHT BE
ACCEPTABLE TO MAJOR CONTRIBUTORS IF IT WERE NOT
TOPPED OFF WITH \$10 MILLION FOR THE WCF. GENEVA GROUP
MEETS TOMORROW AT 9 A.M. TO SEEK CONSENSUS ON
RESPONSE TO DG'S PROPOSAL. SEEMS UNLIKELY THAT A FINAL
FIGURE OF \$175 MILLION WILL BE LEFT UNTOUCHED,
ESPECIALLY AS DG HAS LINKED THE \$10 MILLION TO "UNCER-
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TAINTY OF US MEMBERSHIP" AS WELL AS PRESENT LOW
LEVEL OF WCF. IN EARLIER MEETINGS, GENEVA GROUP
SEEMED INCLINED NOT TO APPROVE \$10 MILLION UNTIL US DECISION
ON MEMBERSHIP ACTUALLY MADE, SINCE OUR CONTINUED
MEMBERSHIP PRESUMABLY WOULD MAKE SOME OF THESE
"EMERGENCY" MEASURES UNNECESSARY. CATTO

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 23-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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